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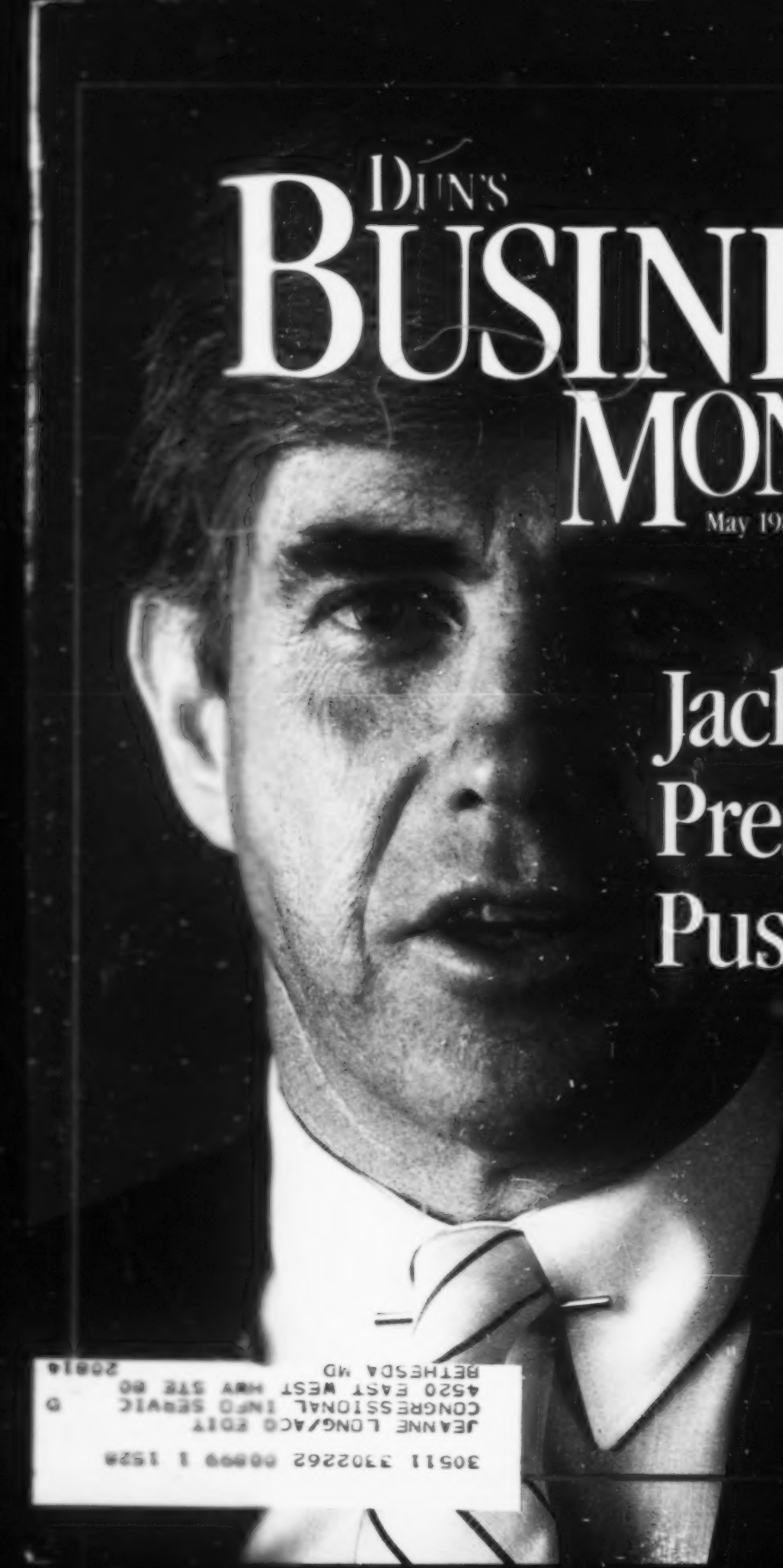
The Railroads Wake Up—At Last



Jack Kemp's Presidential Push

Glass-Steagall Under Siege

Why the Saudis Are Switching Investments

Also featuring
The Business News of the Month

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INVESTMENT UPDATE

Here's the current status of a number of investments, and a look at how they have fared over the past month and the past year.

INVESTMENT	(3/29/85) Recent Price or Yield	Value of $10,000 if invested: Month Earlier	Year Earlier
Common Stock (Index fund, capital gains and dividends reinvested)	$21.11/share	$11,850	$10,052
per cent change		+18.5%	+.5%
Bonds (30-yr., 11¼% Treasury Bond)			
MARKET VALUE		$10,206	$10,516
ACCUMULATED INCOME	$ 99.31	$ 100	$ 1,244
TOTAL		$10,306	$11,760
per cent change		+3.0%	+17.6%
Money Market Fund	7.97%	$10,060	$10,978
per cent change		+.7%	+9.8%
Gold (Krugerrands)	$348.75/oz.	$11,500	$ 8,460
per cent change		+15.0%	-15.4%
HOUSE PRICES	**Recent**	**Month Earlier**	**Year Earlier**
Existing House	$86,700	$88,100	$80,100
per cent change		-1.6%	+7.6%
New House	$90,800	$101,800	$94,000
per cent change		-12.1%	-3.5%

Sources: Vanguard Group Inc.; Salomon Brothers; Donoghue's Money Fund Report; Desk-Perera Fifth Avenue, Inc.; Federal Home Loan Bank Board.

Moreover, its construction budget, which is a hefty $1.65 billion this year, will be under $500 million by 1988, he says. With its cash flow improving and the regulatory environment positive, he believes Commonwealth Edison's dividend could grow 5%-to-6% annually, starting next year.

Booth is enthusiastic about the stock market outlook for property/casualty insurers, particularly General Reinsurance, which is experiencing a major turnaround in earnings growth. Reinsurance rates are rising rapidly, he notes, and General Re is the natural beneficiary. "There is a shortage of quality and well-capitalized reinsurance companies due to the industry's bad years, and General Re is the acknowledged leader in its capacity to analyze risks and is financially strong," he says. He expects earnings per share to skyrocket to $4.25 this year, up from $1.60 in 1984, to rise to $5.50 next year and reach $8.50-to-$9 in 1987. Therefore, he favors the stock even at its recent price of around 74.

—ALAN BROMLEY

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